

From: Rick Roese
To: Microsoft ATR
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Subject: Microsoft Settlement

To Whom it Concerns,

Everywhere I look I see Microsoft's hand. There is nothing illegal about being large, but it seems that for years they have used that size to influence every vendor in the industry (even Intel) and they show no signs of stopping. I believe everyone who uses computers has and will continue to be hurt by the stifled development of anything that Redmond does not control. And that is the definition of an abused monopoly. The idea of a settlement that "pushes" Microsoft into the education market under the guise of a penalty is ludicrous. Something much stiffer must be imposed for the good of the computing future.

Rick Roese

Below is a hidden transaction describing the the transfer of 3D technology from Silicon Graphics and Microsoft. Again the affect is subtle, but cumulative and subversive. MS is not going to stop without pressure from the DOJ or other government agency.

SGI transfers 3D graphics patents to MS
By Andrew Orlowski in San Francisco
Posted: 16/01/2002 at 18:03 GMT

Exclusive Silicon Graphics Inc has transferred much
of its 3D graphics
patents portfolio to Microsoft.

These form the heart of a mysterious transaction
which showed up in SGI
SECC filings last year, with Microsoft paying \$62.5
million for unspecified
"intellectual property" rights to SGI.

SGI insisted at the time these are "non core"
technologies, but sources close
to the Mountain View are emphatic that these
represent the bulk of SGI's 3D
intellectual property assets, a view confirmed by
documents disclosed to
The Register.

The 3D graphics landscape is scarred with previous
intellectual property

litigation, and the Microsoft deal has its roots in an earlier settlement between SGI and NVidia. NVidia walked away bruised but with a license for key SGI technology. Unfortunately for the Xbox team, that didn't extend to NVidia's sublicensees and an eleventh-hour deal was brokered that allowed the Xbox launch to proceed on schedule.

So does the Redmond deal represent good value for SGI? Well, SGI has had console ambitions in the past: developing the N64 for Nintendo, but failed to follow through in those early efforts. SGI has since been supplanted in the newer generation of consoles and has even had to adopt the PC graphics products of erstwhile rival NVidia. SGI shareholders will doubtless welcome the cash.

Neither NVidia nor SGI wanted to comment on this article. SGI is in a quiet period pending its next quarterly results next week.

Own 3d?
However Microsoft's acquisition of the patents has repercussions for not just the console business, but the future of the PC business, too. The question of who owns the platform was one of the fissures exposed during the Microsoft AntiTrust trial. According to memos released as part of the trial, and testimony from Intel VP Stephen McGeady (who's no longer with the company), The Beast won a showdown with Intel that obliged the 'Zilla to axe its NSP multimedia hardware project.

Microsoft isn't in the PC hardware business, and it's unlikely that the patents will change its technical strategy. But they do add significantly to its bargaining position with hardware vendors, giving Redmond important new leverage. Rival APIs, principally OpenGL, are kept alive through the support of

graphics hardware vendors. And for a hardware partner, avoiding a lawsuit, or gaining a contract to work on future versions of Xbox, may well outweigh the advantages from continuing to support OpenGL.

Now that's an area that the three men in a boat - the proposed MS compliance body - might care to examine. We'll be watching. (R)